



# **Strategic Plan FY 2008-2011**

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## **INTRODUCTION: PURPOSE AND METHODOLOGY**

Over the years, PERSI has demonstrated a clear commitment to customer satisfaction and quality service delivery. PERSI staff members in all business areas are dedicated to serving members and employers to the best of their abilities and have shown a sincere interest in seeing PERSI succeed and grow. The organization as a whole has a history of looking for ways to keep up with or even surpass innovative trends in the industry.

In July 2003, PERSI began a multi-phase Business Process Reengineering (BPR) project. The project was completed in 2007. The primary goal of the BPR project was to realign our organization and our business processes to efficiently and effectively meet the needs of the growing number of members who were nearing retirement age and to prepare for increased workloads in our operating units. In the past fiscal year we completed the final phases of implementing the tools and process changes outlined in the BPR plan.

Over the course of the past fiscal year, our operating units have worked to implement a number of projects and to change or enhance our business processes. We completed the implementation of digital imaging; implemented a new Voice Over Internet Protocol (VoIP) telephone system; developed a plan and began implementation of a revised and enhanced member education program; migrated PERSI to the .gov email domain; developed and implemented a new employer education and certification program; completed the development and testing of automated workflow and began full implementation; implemented Microsoft Project tracking to improve resource allocation and project planning; assessed and developed an action plan to train and mentor PERSI staff; and worked with ACS HR Solutions (ACS) to implement a single sign-on so members can access both their Base and Choice Plan accounts by logging on only once.

PERSI is basically starting from scratch on our work measurement effort. We now have in place the tools needed to develop and record measurement standards. We have not only begun the process of changing work methodology, but also planned to change the way we measure work performance. The former measures of “ticky marks” will be replaced by productivity and quality-of-work measures. Some of the measures in the previous strategic plans will no longer be appropriate and will not be tracked going forward.

This identification and tracking of the new metrics will be a longer-term effort involving adding and deleting metrics to determine those that are accurate measures of performance as well as changing the benchmarks to reflect the appropriate level of performance. It will be a learning process.

As a result of the strategic planning portion of the project, PERSI redesigned its FY2005-2008 and FY 2006-2010 Strategic Plans; the redesign continues with this plan. The plan submitted here has eliminated the goals from the FY 2006 – 2010 Strategic Plan that have been accomplished, provides additional specificity of metrics, and identifies future projects that will

help quantify additional goals and measurements. In addition to goals and strategies for achieving those goals, PERSI also included targets and timelines that will assist us in more comprehensive performance modeling. Engaging in this process, PERSI has adopted the following strategic planning and performance monitoring model:



The planning and success monitoring process will be an on-going loop with PERSI's mission at its core. The loop begins with strategic planning and proceeds to setting performance goals, budgeting for implementing the plans, managing the operations, and measuring the performance of all the steps and their overall impact on the goals of the organization. By developing a continuous strategic planning-to-performance measurement process, we hope to generate operational data for use in managing resources more efficiently and effectively, which will assist in meeting the ever-growing demands of our customers.



## MISSION / VALUES / FIDUCIARY STATEMENT

As illustrated in the strategic planning and performance monitoring model provided on the previous page, the PERSI Mission is at the core of this Strategic Plan and all of PERSI's goals for the future. The PERSI Mission, Core Values, and Fiduciary Duty of Loyalty shown below drive all PERSI operations and service delivery. Each of these is a critical element of this Strategic Plan.

### PERSI Mission

*"To provide our members and their beneficiaries with reliable, secure, long-term retirement, survivor and disability benefits as specified by law."*

*"To provide our members with high-quality information and education so that they may make sound financial planning decisions incorporating their PERSI Base and Choice Plans as the foundation for a financially rewarding retirement."*

*"To, above all, provide friendly, accurate and timely customer service to all our members."*

### PERSI Core Values

*"In our interactions with employers, members, internal staff and oversight agencies; in the tasks and activities we undertake; indeed, in everything we do, PERSI is guided by a set of core values and beliefs:*

*Our fiduciary duty always comes first*

*We treat everyone fairly, consistently, and with respect*

*We exist to serve PERSI members*

*Every action we take is transparent and open to scrutiny*

*We are committed to making PERSI an enjoyable and rewarding place to work*

*We are a team; for any one to succeed, all must succeed."*

### PERSI Fiduciary Duty of Loyalty

*"The primary duty of the Retirement Board and PERSI staff, as fiduciaries, is that of loyalty, or acting with an "eye single" to the interests of the beneficiaries.*

*PERSI is required by law to make all its decisions solely in the interest of the beneficiaries and to avoid, at all costs, serving the interests of any other party not a beneficiary of the system."*



## BACKGROUND

### Historical Overview

The Public Employee Retirement System of Idaho (PERSI) was created in 1963 by the Idaho Legislature with funding effective July 1, 1965. Since that time, PERSI has provided a Defined Benefit (DB) plan designed to provide secure, long-term retirement benefits for career public service employees. In 1995, PERSI took over as plan administrator for a 401(k) Defined Contribution program and began offering it to employees of the State of Idaho as a supplement to the DB plan. The original plan evolved into the Choice Plan 401(k) in 2001.

### Organization and Governance

#### Retirement Board

PERSI is directed by a five-member Retirement Board. Individuals on the Board are appointed by the Governor of the State of Idaho for terms lasting five years. These appointments are subject to Senate confirmation. State law requires that two members of the Board be active PERSI members with at least ten years of service.

The current Board includes:

<b>Jody B. Olson, Chairman</b>	Term expires July 1, 2012
<b>Clifford T. Hayes</b>	Term expires July 1, 2009
<b>Jeff Cilek</b>	Term expires July 1, 2010
<b>J. Kirk Sullivan</b>	Term expires July 1, 2011
<b>William “Bill” Deal</b>	Term expires July 1, 2008

#### PERSI Staff

PERSI currently employs 63 staff members operating from the home office in Boise (58 employees) and field offices in Coeur d’Alene (2 employees) and Pocatello (3 employees).

Functional areas of PERSI currently include:

- Financial (Investments/Portfolio & Fiscal)
- Employer Services Center
- Defined Contribution Plan
- Communications
- Information Technology
- PERSI Answer Center
- PERSI Processing Center



## KEY EXTERNAL FACTORS (BEYOND AGENCY CONTROL)

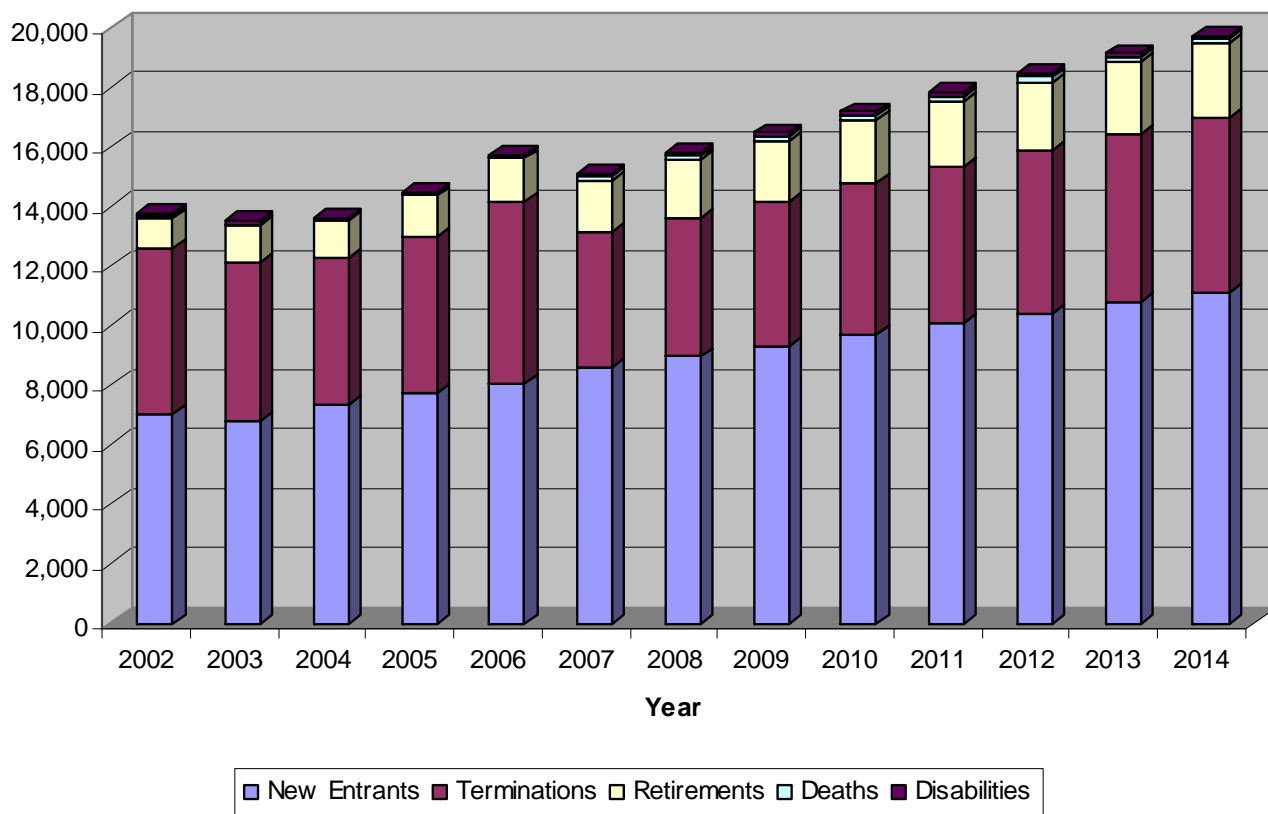
A number of external factors influence the way in which PERSI operates. Federal and state legislation, Internal Revenue Service (IRS) requirements, membership demographics, employers, legislators, the economy and its impact on investments, and a host of other external factors play a large role in the structure of the benefits and services offered by PERSI. Some of the major factors are explained here.

### Growth and Diversity of PERSI Membership

Since 1965, PERSI has grown from a relatively small organization of eight staff members serving 5,404 active members employed by state agencies and 19 political subdivisions to a much larger and more “mature” retirement system including more than 64,762 active members and nearly 700 employers across the state. In addition, PERSI has more than 28,438 retirees and 21,848 inactive members. PERSI staff has grown to include 63 staff members working from offices in Boise, Coeur d’Alene, and Pocatello.

The following chart shows past and projected growth in annual PERSI transactions over a 13 year period. As you can see, the growth in retirements along with other transactions is projected to increase substantially. PERSI cannot control this aging of our population but must react to it.

Number of  
Transactions





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## **Effects of Investments on PERSI Trust Fund and Operations**

PERSI is funded by a combination of investment earnings and employer and employee contributions. The rise and fall of the stock market has had an impact on the PERSI trust fund over the years. Following national trends, the fund declined from 2000 to mid-2003. For Fiscal Years ending 2005, 2006 and 2007, however, the fund earned gross returns of 10.9 percent, 12.3 percent and 20.0 percent respectively.

PERSI's objective is to minimize the effect of external influences when possible by diversifying among a wide range of asset classes and investment management styles, both domestically and internationally. With billions invested worldwide, PERSI does everything possible to manage risk to the fund. However, the rise and fall of world markets is impossible to predict or control; therefore, PERSI funding levels are very much subject to market fluctuations.

## **Technology**

Rapidly changing technology also challenges PERSI's ability to meet the expectations of its members. The market place, to the largest degree, shapes our members' expectations of services provided by PERSI on the Internet and the systems that support the staff. For example: "You should be able to just push a button and give me my benefits," is a common request from members. Although PERSI systems have generally kept pace with information technology especially with our recent digital imaging and automated workflow project, we must work harder to keep ahead of member expectations in terms of our Web services.

## **Federal Law and Regulation Changes Regarding Retirement Plan Qualifications**

PERSI is a tax qualified retirement plan as designated by the IRS. To maintain that very valuable status, we must respond quickly and accurately to the changes in Federal Laws and Regulations from the IRS and Department of Labor. This has become more and more of a task because public retirement plans have become more visible on the national scene and the IRS has more of a desire to ensure regulations apply equally to private and public retirement plans. At times, their regulations are written without knowledge of the basic differences between public and private retirement plans. It requires constant attention to efforts by these agencies and analysis of the consequences of a variety of actions.



**GOALS,  
STRATEGIES,  
PERFORMANCE MEASURES**



## **Goals for the Future**

After analysis of survey results and the identification of critical issues, stakeholder wants and needs and the organization's strengths, weaknesses, opportunities and threats, PERSI developed goals for the future to address the issues raised through this examination. Executive Staff identified the following four main goal areas:

- Customer Service
- Education
- Technology
- Agency Administration and Support

In each of these areas, PERSI developed specific goals with corresponding strategies for reaching those goals as listed below. Specific strategies, measurements, and targets are provided in detail in the following charts.

### ***Customer Service***

- Improve quality and effectiveness of member customer service to achieve extraordinary customer satisfaction.
- Improve quality and effectiveness of employer customer service to achieve extraordinary customer satisfaction.

### ***Education***

- Improve PERSI member education program so members understand their retirement benefits, the value of those benefits, and how to use them in achieving their retirement goals.
- Improve employer education program so employer knowledge and skills improve the quality of data transmitted from employers.
- Improve PERSI staff knowledge and skills while developing staff members who understand their professional missions and their management's expectations.

### ***Technology***

- Ensure that the PERSI and associated technology environment supports PERSI's business and customer service requirements.

### ***Agency Administration and Support***

- Develop and maintain technology, procedures, and staff training to ensure proper operations of PERSI and monitoring of the operations.



## Customer Service - 1

**GOAL:** Improve quality and effectiveness of **MEMBER** customer service to achieve extraordinary customer satisfaction.

**Objectives/Strategies:**

1. Improve quality and number of member contacts by PERSI staff to assist in explanation of PERSI services and benefits.
2. Improve quality and effectiveness of “first contact” with customers.
  - a. Maintain and Improve Knowledge Base of Staff.
  - b. Improve Telephone Customer Service.
  - c. Improve member self-service abilities (web account information and transactions).
3. Ensure all benefits delivered timely and accurately.

**Performance Measures:**

Measurements	Benchmarks	Source
Percent of members whose satisfaction level with PERSI is Somewhat or Very Satisfied.	90%	Member Transactional and Customer Service Surveys (compiled annually)
Percentage of members whose overall satisfaction level with identified business process is Somewhat or Very Satisfied.	90%	Member Transactional Survey (compiled annually)
Number of calls answered without transfer.	80%	Non-transferred calls from ACD reports
Average wait time to get to appropriate person.	Less than 1 minute	ACD Report
Number of days it takes from date of first request to provide a <i>formal</i> written pension estimate.	5 days	Workflow Reports
Number of days it takes to provide a member separation benefit from receipt of paperwork.	5 days (Cutoff Monday for Wed. Pay)	Workflow Reports
Percentage of PERSI retirees who receive their first annuity within 31 days of their first annuity pay date.	95%	Workflow
Develop a 3-year plan to increase the number of self service offerings on Internet.	January 1, 2008	Plan completed
Develop a data quality maintenance plan & metrics.	November 1, 2007	Plan completed
Update transactional survey methodology and implement revised methods.	January 1, 2008	Survey updated and implemented
Standards for grade of service to improve answer time, as well as percentage of abandoned calls.	90% in 60 seconds Less than 3% abandoned	ACD Reports



## Customer Service - 2

**GOAL:** Improve quality and effectiveness of **EMPLOYER** customer service to achieve extraordinary customer satisfaction

**Objectives/Strategies:**

1. Improve/maintain training program for Employers and provide one-on-one training to new payroll technicians within first six months to increase effectiveness of PERSI reporting.
2. Enhance the electronic access for submitting transmittals that provide immediate and specific feedback to employers regarding data quality issues and allows employers to access and update related employer information such as contacts and addresses.
3. Ensure timely and accurate processing of employer transmittals.

**Performance Measures:**

Measurements	Benchmarks	Source
Percent of employers whose satisfaction levels with PERSI is Somewhat or Very Satisfied.	95%	Employer Survey
Percent of employers who are satisfied with Employer meetings.	95%	Employer Meetings Evaluations
Identify and train employer payroll technicians within 6 months of date of hire.	50%	Manual count
Update and enhance PERSI Employer Portal to include self assessment and more interactive employer editing of data.	July 1, 2008	Enhancements completed
Redesign and implement Employer Eligibility/ self review visit to reflect education and customer service philosophy.	Implement by July 1, 2008	Employer Audit Guidelines and Procedures
Timely processing of employer transmittals.	3 days after receipt of clean data and contributions.	Monthly Statistics Report



## Education - 1

**GOAL:** Improve PERSI member education program so members understand their retirement benefits, the value of those benefit and how to use them in achieving their retirement goals.

**Objectives/Strategies:**

1. Using a multi-media approach, present information to members at the appropriate times in their careers and for their age.
2. Use current vehicles such as newsletters, brochures and handbooks as well as Web sites, streaming video and other technology for instructional purposes.
3. Ensure educational presentations fulfill the needs of the members who are attending the sessions.

**Performance Measures:**

Measurements	Benchmarks	Source
Develop and implement a comprehensive member education plan that outlines the training objectives for PERSI members at various stages of their career.	July 1, 2008	Plan developed and implemented
NEW MEMBERS: An updated appropriate welcome package on PERSI benefits to be delivered six months after hire date.	October 1, 2007	Package distributed
SPECIAL TOPICS: Develop or sponsor Special Topic presentations or materials for items of general interest such as Social Security, Medicare, LTC, etc.	January 1, 2008	Special Programs initiated



## Education - 2

**GOAL:** Improve employer education program so that employer knowledge and skills improve the quality of data transmitted from employers.

**Objectives/Strategies:**

1. Expand and maintain an employer training program to provide comprehensive and ongoing employer education and training in specific issues such as class eligibility and other specific data reporting issues.
2. Develop education programs to increase the number of qualified PERSI staff available to provide training and education to employers.

**Performance Measures:**

Measurements	Benchmarks	Source
Number of employer staff who obtain certification each year.	90% of new staff and 10% of current non-certified	Manual count



### Education - 3

**GOAL:** Improve PERSI staff knowledge and skills while developing staff members who understand their professional missions and their management's expectations.

**Objectives/Strategies:**

1. Increase focus on staff training and cross training to enhance staff customer service and processing capabilities (internal and external).
2. Increase focus on staff performance process
3. Continuously involve staff in process development to increase their insight into total PERSI operations and their role in those operations.

**Performance Measures:**

Measurements	Benchmarks	Source
Create and maintain updated certification program for positions where benefit information is given to members.	Implemented July 1, 2008 Exams with a 90% pass rate	Training and testing program implemented
Number of internal educational sessions provided each year.	Provide 2 sessions each year	Manual count
Maintain level of staff knowledge through design of new training sessions on new policies and processes as well as refresher courses of current processes.	Implemented July 1, 2008	Training curriculum and schedule implemented.



## Technology

GOAL: Ensure that PERSI and associated technology environment supports PERSI's business and customer service requirements.

### Objectives/Strategies:

1. Evaluate the PERSI and associated technology environment with regard to supporting PERSI's technology initiatives.
2. Acquire appropriate hardware, software, or other technology to support PERSI's business and customer service initiatives.
3. Engage IT staff and contractors who have experience in the technologies that support PERSI's initiatives.

### Performance Measures:

Measurements	Benchmarks	Source
Implementation of PERSI's new Data and Voice Network which includes connectivity to our remote offices in Pocatello and Coeur D'Alene.	January 1, 2007	Hardware, software and connectivity completed
Consolidation of server hardware into blade server environment to support the rapid growth due to imaging, workflow, data needs for retirement increases.	January 1, 2008	Consolidation completed





## Agency Administration and Support

**GOAL:** Develop and maintain technology, procedures, and staff training to ensure proper operations of PERSI and monitoring of operations.

**Objectives/Strategies:**

1. Develop and maintain technology, procedures, and staff training for emergency business resumption and operations to ensure PERSI remains operational and current.
2. Improve PERSI performance measurement and monitoring capabilities.
3. To ensure accurate data and procedures, improve internal audit procedures and data quality review.
4. Ensure continuity, organizational leadership and operational knowledge.

**Performance Measures:**

Measurements	Benchmarks	Source
Perform regular disaster recovery Reviews of disaster plan by business area.	2 times a year	Manual & CD
Enhance disaster recovery capabilities to include transmittal reporting and investment of funds.	July 1, 2008	Review Logs
Identify and develop metric reporting capabilities within the ACD phone system and workflow system.	July 1, 2008	Metrics identified and summary reported quarterly to Board and incorporated within CEM report
Compare operations benchmarks to national public pension funds	Annually	CEM Report
In addition to regular internal control audit, conduct a specific internal control audit for PERSI operations.	By July 1, 2008 complete internal control audit and have internal control procedures design and implemented.	Internal Control Report
Design and implement a comprehensive, on-going program of data quality analysis.	Program implemented by January 1, 2007	Data Quality Procedures Manual.
Design and implement a succession planning approach for key staff members.	July 1, 2008	Succession Plan

## APPENDIX I:

### STAKEHOLDER ANALYSIS

This table provides a summary of stakeholder needs and wants identified during recent workshops.

Identified Wants / Needs of PERSI Stakeholders	Customer Service	Education	Technology	Benefits/Plan Enhancement	Administration and Support
Online Account Information	•		•		
Instant Estimates	•		•		
Easier Web site	•	•	•		
Timeliness	•		•		
More One-on-One Service	•				
More Workshops	•	•			
More Publications	•	•			
The “Right” Answer / Better, More Accurate Data	•	•			
Training for Payroll Personnel	•	•			
Consistency of Policy	•				
Reach a “Live” Person on the Phone	•				
More Employer Assistance	•				
Better Notification for Employers	•				
Education on Both Plans		•			
More Financial Planning		•			
Improved Transmittal Procedures (Employer)		•	•		
Medical Insurance (Retired)				•	
Long-Term Care Insurance (Retired)				•	
Law Changes				•	
Long-Term Security (reassurance)					•
Adequate Staffing					•
Adequate Compensation					•
Cost Effectiveness					•
More Timely Reports					•